

VISN: 20

Facility Name: Walla Walla

Affected Facilities: Walla Walla, Spokane

A. Summary and Conclusions

a. Executive Summary:

The preferred option is to contract inpatient medicine, ER nursing home; construct a new 10-bed building to provide acute psychiatry and acute detoxification programs; and lease housing in the community and convert the Substance Abuse/Psychiatric Residential Rehabilitation Program to outpatient.

Inpatient Medicine: services provided to veterans would be accomplished through contracting care in three community hospitals (Yakima, Tri Cities and Walla Walla) and referral to other VISN 20 facilities. Current referrals to other VISN 20 Medical Centers will continue to be at the same level as in previous years (approximately 50% of all bed days of care in FY 2001).

Inpatient psychiatry: The preferred alternate is construction of a new 10-bed unit to accommodate inpatient psychiatry. There are only three community inpatient psychiatric programs in the Walla Walla service area: Pasco, WA; an 18-bed facility located 60 miles from Walla Walla; an 18-bed facility in Yakima, WA, 130 miles from this facility; and a 5-bed facility in Lewiston, Idaho, 102 miles (2 hours) from Walla Walla. The only community medical therapeutic detoxification center in the service area is a small unit in Yakima, Washington. The administrators of these programs have indicated that they may not be able to accept VA patients, as they have limited capacity. The cost of the most recent patient placed in a community hospital was over \$2,100 per day. Because of limited inpatient psychiatry beds in the service area, the potential exists for delay of care to patients requiring hospitalization. If the community programs were unable to admit VA patients, they would be referred to Spokane VAMC, a three-hour commute. It may also be necessary to contract with community programs in the Spokane, Seattle or Portland areas if beds are not available in the VISN VAMC's.

Substance Abuse and Psychiatric Residential Rehabilitation Programs (PR RTP/SAR RTP):

This program will convert to an outpatient program. This proposal requires leasing housing in the community so as to continue the SAR RTP/PR RTP programs on an outpatient basis. Referrals from other VISN facilities account for approximately 45% of the patients treated in 2003. Transitional housing complex for homeless veterans exists in Walla Walla and Yakima for patients who have successfully completed the program. A Compensated Work Therapy Program is also provided in Walla Walla. Many of the veterans in this program are successfully working in departments at this facility, including housekeeping, food service, engineering and ground maintenance. This program will most likely decrease in scope, as there are not sufficient opportunities within this community to absorb additional CWT veterans.

Long-term care and rehabilitation services: Contract for services in each community. There are sufficient nursing homes to accept our patients.

b. Current environment: Describe the facility location and neighborhood and condition of the existing buildings.

The Medical Center is located in a rural community and serves veterans in 14 counties covering 42,000 square miles. The service area covers three states: southwestern Idaho, northeastern Oregon and southeastern and central Washington. The facility is located in the southeastern part

of Washington, 10 miles from Oregon state line. The city of Walla Walla is approximately 35,000 in population. The county is primarily agricultural. Within the community there are two four-year colleges and a community college. Several of the counties within the service area are quite rural and sparsely populated. All counties are designated as Health Care Professional Shortage areas. The city of Yakima is the only designated urban city in the primary service area. The combined populations of the Tri-Cities area: Richland, Pasco and Kennewick are considered urban. The current Access data as presented by VSSC CARES indicates that 64% of residents in the Market meet access for inpatient care for rural and highly rural counties. However, Yakima County, urban designation, 0% meet access criteria for inpatient hospital care.

Condition of buildings: The Medical Center, a cavalry fort, is comprised of 28 buildings constructed between 1858 (residential quarters) and 1947 (temporary administrative building), located on approximately 84 acres of land in Walla Walla. There are 15 buildings listed on the National Historic Register, of which 6 are used for patient care, patient care support, administrative and facility services. Total square footage is approximately 300,000 square feet, and overall facility score is 2.66. There have been no major projects at the facility in over 50 years. A minor project, 1994, added space to the 1929 ambulatory care building.

The medical unit is currently located on the same floor as the Nursing Home Care Unit. Both services have an overall facility score of 1.88. This building was constructed in 1922. Ancillary services and specialty care clinics are located on the first and third floors of this building. The cost to correct deficiencies is estimated to be \$6 million. Patient rooms are small and consist of single, two and three beds per room. Very few patient rooms have private baths. The infrastructure - steam, plumbing, and electrical, has not had major upgrades in an estimated 30+ years. There is no central HVAC, therefore, multiple window air conditioners are used throughout the building. The heating system is steam. This is the only building that has been seismically upgraded.

Mental health and psychiatry programs are located in a 1906 building, one of two old cavalry troop barracks. This is a wooden and brick building and, because of the wooden structure, it has a life span of 100 years. The cost for correcting deficiencies in this building is \$7,115,000, a ratio of 70%. All buildings contain lead and asbestos. The Ambulatory Care building underwent a minor construction project in 1994. The Residential Quarters were vacated in September with the exception of two. All of the residential houses are on the national historical register with the exception of the one used by the Police.

The VAMC has lease agreements for use of VA land, with Little League Baseball, Youth Football, the School District for parking at a school adjacent to the facility and with a federal credit unit.

c. Workload Summary: (Copy and Paste Tab 1 from Template)

NAME OF FACILITY BEING STUDIED: Walla Walla								
Alternate # 1	Contract inpatient Medicine and ER; Inpatient mental health - limited capacity within the service area for mental health. Transfer 50% to Spokane VAMC and contract remaining. Convert PRRTTP/SARRTP and lease space for program; Lease space in community nursing home for (VA staff), contract food service, laundry.							
Workload or Space Category	2001 ADC for IP	Baseline workload from Milliman for beds & stops	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out
Inpatient Medicine	6	8	13	10	100	2005	Contracts	100
Inpatient Surgery	0	1	-	-	N/A			
Inpatient Psych Acute	2.4	2	2	2	50%	2006	Contracts	
Inpatient Sub Abuse	3.4	3	3	2	0	2006	Contracts	
Inpatient Dom		-	-	-				
Inpatient NHCU	20	84	84	84	50%	2005	Contracts	
Inpatient PRRTTP	19	19	19	19	0	2006		
Inpatient SCI		-	-	-				
Inpatient BRC		-	-	-				
Outpatient Primary Care		36,313	33,701	28,041	0			
Outpatient Specialty Care		15,102	47,961	42,392	0			
Outpatient Mental Health		13,496	21,069	16,404	0			
Ancillary & Diagnostics		31,252	63,614	59,013	0			
Research SPACE	N/A		N/A	N/A				
Admin SPACE	N/A		N/A	N/A				
Other SPACE	N/A		N/A	N/A				
*Psych data calculated to separate workload appropriately								

Alternate # 2		Construct new space for a 10-bed inpatient psychiatry unit. Contract inpatient medicine, emergency room and nursing home; lease space off site for an outpatient SARRTP/PRRTP program						
Workload or Space Category	Baseline Wkld	Baseline workload from Milliman for beds & stops	2012 projected Wkld	2022 Projected Wkld	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out
Inpatient Medicine	6	8	13	10	100	2005	Contracts	100
Inpatient Surgery	0	1	-	-	N/A			
Inpatient Psych Acute	2.4	2	2	2		2006		
Inpatient Sub Abuse	3.4	3	3	2		2006		
Inpatient Dom		-	-	-				
Inpatient NHCU	20	84	84	84	100	2005		100
Inpatient PRRTP	19	19	19	19	100	2006		100
Inpatient SCI		-	-	-				
Inpatient BRC		-	-	-				
Outpatient Primary Care		36,313	33,701	28,041	0			
Outpatient Specialty Care		15,102	47,961	42,392	0			
Outpatient Mental Health		13,496	21,069	16,404	0			
Ancillary & Diagnostics		31,252	63,614	59,013	0			
Research SPACE	N/A		N/A	N/A				
Admin SPACE	N/A		N/A	N/A				
Other SPACE	N/A		N/A	N/A				
*Psych data calculated to separate workload appropriately								

d. Proposed Realignment: Provide a narrative on the realignment plan

Where will care be provided?

Inpatient Medicine: Contracts, through the competitive bid process, will be in Yakima (132 miles), Tri Cities (60 miles) and in Walla Walla. Patients requiring tertiary services will be referred to the VA Puget Sound Healthcare System or to the Portland VAMC.

Inpatient Psychiatry: Construction of a 10-bed unit in Walla Walla or Tri-Cities is the preferred option. Other alternatives analyzed include contracting and transfer to Spokane VAMC. However, capacity at community inpatient programs is extremely limited and the travel distance to Spokane is 180 miles (3 hours). Both options could potentially lead to quality issues resulting from delayed treatment. At this point, it does not clear if the existing community programs will be able to accommodate our patients. Our Lady of Lourdes hospital in Pasco, WA is interested in discussing options such as joint venture for new construction. There are no medical therapeutic detoxification centers in counties within the MSA with the exception of a small unit in Yakima, Washington. In 2002, the acute psychiatric average daily census was 5.7. Approximately 50% of the admissions are for acute detoxification

Substance Abuse and Psychiatric Residential Rehabilitation Programs: Preferred option is to lease 13,000 sq ft for housing in the community and convert the programs to outpatient.

Nursing Home Care: The 2nd alternative is to contract for services in the patients' community. Contracts are currently in place with nursing homes throughout the medical service area.

Emergency/Acute Walk-in: Emergency care would be contracted. We currently have approximately 2,550 acute walk-in patients annually (does not include walk-in patients seen by the patient's primary care provider). Patients residing in areas other than location of the contracted hospitals will be referred to local hospitals if condition is warranted and will be managed through the fee process. Average cost for emergency room care is \$220.00, based on review of 10 recent bills from five different hospitals.

Primary Care: Additional lease space is needed at the Yakima and the Richland CBOC's to meet the access guidelines. Workload at the Walla Walla outpatient clinic will be redistributed to meet the access guidelines. The Lewiston CBOC needs to be expanded to a Primary Care model. Currently, this clinic operates as a follow-up primary clinic two days per month. Additional lease space and a primary care team would be required. Lewiston is 100 miles from Walla Walla.

Outpatient Mental Health: Increased demand for outpatient mental health services will be met by increasing staff at the CBOC's. Additional lease space will be required at the CBOC's. The outpatient mental health services at Walla Walla will need to be moved to the outpatient clinic building, as the program is now located in a building constructed in 1906, and is planned for demolition. This was submitted in the previous Market Plan.

Specialty Care: Increased demand for specialty care will be met by increasing services at the Walla Walla Clinic, CBOC's and contracting. New construction is required to relocate some ancillary and specialty services in buildings marked for demolition. This was part of the Market Plan.

Ancillary Services: Increased demand for services will be met at the Walla Walla VAMC and through contracting.

Impact on travel times: Improved travel times for inpatient medicine, nursing home, primary care with the establishment of a primary care clinic in Lewiston, Idaho (serves four counties) and by increasing outpatient mental health services in the CBOC's.

Impact on quality: In the preferred option, there will be no negative impact. The hospitals are JCAHO accredited and many have a full array of services.

Impact on community: Testimony from elected officials and community leaders (Commission Hearings) revealed a great deal of concern related to the realignment proposal. Of considerable concern is the potential for loss of jobs and adverse economic impact; demolition of historic buildings, concern that land would be left to the city/county with remaining old buildings that would be in disrepair would be vacated without abatement, etc. The Medical Center is the 8th largest employer in this community of approximately 35,000 and the 13th in the county. Concerns were also expressed regarding the loss of inpatient mental health services.

Impact on staffing: Employees will be realigned by utilizing transfer, retirement, reassignment, or buyout. Employees understand that there will not be a reduction in force with the realignment, but concerns still remain due to the number of positions that cannot be absorbed at this facility. Many feel that they are not in a position to relocate to an agency that is not within commuting distance of Walla Walla. Job opportunities in this community are limited. Many employees have strong bonds to the community, have farms or other small business interests, and would not find it possible to relocate. By the year 2005, 27% (88) employees will be retirement eligible of which, 38% (33) are CSRS. Employees under CSRS have indicated that some may retire when eligible. However, many FERS employees have indicated that they will not be able to retire before the age of 65+ years. In 2005, only 7% of employees listed, as retirement eligible will be 65+. (VSSC Human Resources Reports.) Conservative estimate of number of employees who would not be needed is approximately 118 employees, based on implementation phased over 2005-2008. This estimate assumes that some of the remaining employees are willing to relocate to CBOC locations.

Under alternate two, new positions potentially needed under the realignment include: fee and MCCF staff (7 FTEE - average salaries/benefits \$32,278). Reassignment of staff from inpatient to outpatient is anticipated for the following functions: Case Management, utilization management (6 FTEE average salaries/benefits \$68,000), new primary care team and additional mental health clinicians at CBOC's (6 FTEE average salaries/benefits \$85,830); specialty care (3 FTEE average salaries/benefits \$85,830) Total new positions needed 22.

Potential reduction of positions include: food service workers (15 FTEE, average salaries/benefits \$57,917 for total of \$868,755); RN's, nursing assistants, health techs and patient service assistants (40 FTEE average salaries with benefits is \$72,506 for total of \$2,900,240); supervisors, managers and support staff (11 FTEE average salary/benefit \$75,354 for total of \$828,894), facility operations/housekeeping/ laundry (28 FTEE average salaries/benefits \$63,451 for a total of \$1,776,628), SPD/warehouse (5 FTEE average salaries/benefits \$54,393 a total of \$271,965); all other (35 FTEE average salary/benefit \$62,250 for a total of \$2,178,750) for a total of 134.

Total projected number of FTEE to consider for buyouts, relocation or early retirement is 112 beginning FY 05-06. The overall turnover rate for the facility is about 7%. Possible attrition assumptions: 15% of employees who qualify for buy-out = 17, a cost of \$850,000; 15% willing to relocate = 17 a cost of \$850,000; natural attrition 20% (23) for a total of 57.

Cost Effectiveness: The draft national plan proposes to realign to an 8/5 facility. Significant savings would be realized from not maintaining/renovating old buildings. The Life Cycle Costs for the 100% contracting option is 31 million dollars less than the status quo over the next 20 years.

B. Analysis. The steps in the analysis should clearly present the information for each critical area and the conclusions.

a. Description of current programs and services environment:

The current mission of the Walla Walla VA Medical Center is to provide inpatient and outpatient medical, psychiatry, rehabilitation and long-term care to veterans. Under the realignment inpatient medicine services provided to veterans would be accomplished through contracting care in community hospitals. Current referrals to other VISN 20 Medical Centers will continue to be at the same level as in previous years (approximately 50% of all medicine bed days of care in FY 2001). Capacity for acute psychiatry within the service area is limited. There is one 18-bed facility in Tri Cities and one 18-bed facility in Yakima, both being urban areas. There is a 5-bed unit at the hospital in Lewiston, Idaho that does not have capacity. The hospital in Tri Cities is very interested in further discussions regarding various options. The cost of the most recent patient placed in a community hospital was over \$2,100 per day. In 2002, the acute psychiatric average daily census was 5.7.

Approximately 50% of the admissions are for acute detoxification. A transitional housing complex for homeless veterans exists in Walla Walla and Yakima for patients who have completed the substance abuse program.

The Substance Abuse and psychiatric Residential Rehabilitation Treatment Programs will convert to an outpatient program. There are a few community inpatient residential programs providing this level of service, however the cost is much higher than what is provided at this facility. Closure of the SARRTP/PRRTP beds will require contracting for housing off-site to accommodate this program. Approximately 45% of patients going through the program in FY 2003 were from outside our medical service area. These patients will be referred to the VAMC where the patient lives.

Nursing home care unit: Alternative 2 contracts for all nursing home and rehabilitation care. There are nursing homes in most counties within the service area. In the larger communities there are several nursing homes.

B. Analysis. The steps in the analysis should clearly present the information for each critical area and the conclusions.

- a. Description of current programs and services environment: Copy and paste completed Tab 1, and provide the narrative.

NAME OF FACILITY BEING STUDIED: Walla Walla


Alternate # 1		Contract inpatient medicine, ER, psychiatry - contract 50% and transfer 50% to Spokane VAMC; Lease space in community nursing home for 26 beds; contract remaining workload.						
Workload or Space Category	2001 ADC for IP	Baseline workload from Milliman for beds & stops	2012 Projected Wkld (beds, stops)	2022 Projected Wkld (beds, stops)	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out
Inpatient Medicine	6	8	13	10	100	2005	Contracts	100
Inpatient Surgery	0	1	-	-	N/A			
Inpatient Psych Acute	2.4	2	2	2	50	2006	Contracts	50%
Inpatient Sub Abuse	3.4	3	3	2	0	2006	Contracts	50%
Inpatient Dom		-	-	-				
Inpatient NHCU	20	84	84	84	100	2005	Contracts	100
Inpatient PR RTP	19	19	19	19	0	2006	Outpatient	
Inpatient SCI		-	-	-				
Inpatient BRC		-	-	-				
Outpatient Primary Care		36,313	33,701	28,041	0			
Outpatient Specialty Care		15,102	47,961	42,392	0			
Outpatient Mental Health		13,496	21,069	16,404	0			
Ancillary & Diagnostics		31,252	63,614	59,013	0			
Research SPACE	N/A		N/A	N/A				
Admin SPACE	N/A		N/A	N/A				
Other SPACE	N/A		N/A	N/A				
*Psych data calculated to separate workload appropriately								

Alternate # 2		New Construction for inpatient Psychiatry and Acute Detoxification in Walla Walla or Tri Cities; contract medicine, emergency room and nursing home.						
Workload or Space Category	Baseline Wkld	Baseline workload from Milliman for beds & stops	2012 projected Wkld	2022 Projected Wkld	% to be transferred	Year to begin transfer	Receiving Facility Name	Receiving Facility % contracted out
Inpatient Medicine	6	8	13	10	100	2005	Contracts	100
Inpatient Surgery	0	1	-	-	N/A			
Inpatient Psych Acute	2.4	2	2	2	100	2006	New	
Inpatient Sub Abuse	3.4	3	3	2	100	2006	New	
Inpatient Dom		-	-	-				
Inpatient NHCU	20	84	84	84	100	2005	Contract	100%
Inpatient PRRTF	19	19	19	19	100	2006	OP	
Inpatient SCI		-	-	-				
Inpatient BRC		-	-	-				
Outpatient Primary Care		36,313	33,701	28,041	0			
Outpatient Specialty Care		15,102	47,961	42,392	0			
Outpatient Mental Health		13,496	21,069	16,404	0			
Ancillary & Diagnostics		31,252	63,614	59,013	0			
Research SPACE	N/A		N/A	N/A				
Admin SPACE	N/A		N/A	N/A				
Other SPACE	N/A		N/A	N/A				
*Psych data calculated to separate workload appropriately								

b. Travel times:

Alternate # 1	Name of Facility Being Studied: Walla Walla Lease space in community nursing home; contract remaining									
CARES Category (Dom, Specialty Care or NHCUC)	County Name	FY 2012 Workload (BDOC) (CS)	Travel time from County to Facility being studied	Workload to be transferred	Travel Time from County	Workload to be transferred to Facility B	Travel Time from County to Facility B	Workload to be transferred to Facility C	Travel Time from County to Facility C	New weighted Travel Time (calculated)
				Contract						
Dom										
NHCUC	YAKIMA	6,494		6,494	0					
NHCUC	UMATILLA	5,105		5,105	0					
NHCUC	BENTON	3,753		3,753	0					
NHCUC	WALLA WALLA	3,596		3,596	0					
Specialty	YAKIMA	11,190		0						
Specialty	BENTON	8,751		0						
Specialty	UMATILLA	6,039		0						
Specialty	WALLA WALLA	5,128		0						


Type	Current Access %	New Access %
Primary Care	56%	56
Acute Care	64%	86.4

 = VSSC completed

 = VISN completed

Alternate # 2	Name of Facility Being Studied: WALLA WALLA Contract NHCU									
CARES Category (Dom, Specialty Care or NHCU)	County Name	FY 2012 Workload (BDOC)	Travel time from County to Facility being studied	Workload contracted	Travel Time from County to Spokane	Workload to be transferred to Facility B	Travel Time from County to Facility B	Workload to be transferred to Facility C	Travel Time from County to Facility C	New weighted Travel Time (calculated)
Dom										
NHCU	YAKIMA	6,494	0	6,494						
NHCU	UMATILLA	5,105	0	5,015						
NHCU	BENTON	3,753	0	3,753						
NHCU	WALLA WALLA	3,596	0	3,596						
Specialty	YAKIMA	11,190	0							
Specialty	BENTON	8,751								
Specialty	UMATILLA	6,039								
Specialty	WALLA WALLA	5,128								

Type	Current Access %	New Access %
Primary Care	55.6	55.6
Acute Care	63.72	86.4

 = VSSC completed

 = VISN completed

Travel times:

Inpatient Medicine: Travel times will be improved for most veterans. In rural and highly rural areas, times will be unchanged from the current status. Inpatient Medicine contracts will be established in the following areas: Yakima, WA serving patients in Yakima County, Tri Cities serving patients in Benton and Franklin counties in WA and parts of Umatilla County, Oregon and in Walla Walla serving veterans in Walla Walla, Garfield, Columbia and Asotin counties in WA; the counties of Union, Umatilla, Wallowa, and Morrow in Oregon and Clearwater, Nez Perce, Lewis and Idaho counties in Idaho.

Inpatient Psychiatry: Preferred option is to construct space in Walla Walla or Tri Cities because of limited inpatient programs within the service area.

c. Current physical condition of the realignment site and patient safety

There has been no major construction at this facility in over 30 years. There was a minor project in 1994, the addition to the ambulatory care building. There was a subsequent minor project for a new road access to this building, separating the general traffic from service delivery traffic. The age of the buildings date from 1858 to 1947 (two newest buildings 1945/1947 are temporary buildings).

Inpatient care buildings do not meet codes or community standards. In the last JCAHO in 2001, there were no recommendations in the Environment of Care Standards. The OSHA and OIG/CAP surveys conducted in May/June of this year identified few environment of care or patient safety issues. The recommendations have been or will soon be corrected.

The preferred option retains two buildings; Building 86 was constructed in 1922 and has been seismically retrofitted. Currently, specialty and ancillary care are located on the first and third floor of this building. The vacated space, currently the NHCU and acute inpatient medicine, would be used for administrative and support services. Building 74, the outpatient clinic, adds space for ancillary and specialty care. Both buildings require installation of central heating and air condition units, allowing for demolition of the boiler plant. Building 86 does not require major construction for the intended use, as administrative, outpatient specialty care and ancillary services.

No suitable uses have been identified for the campus under enhanced use. There is no demand for additional assisted or independent living facilities forecasted. There are several assisted living and retirement facilities within the county. A 190-bed unit is under construction at this time (three miles from this VAMC), and one opened within the past six months. A community task force was formed, comprised of elected officials and community leaders. They have indicated a desire to preserve historical buildings. However, funding has not been found to abate and repair the old buildings. We are currently in discussion with groups needing space. One is the Walla Walla County Emergency Dispatch Center. They have expressed some interest in relocating to the vacated Child Day Care building. Two not for profit agencies are looking for space for a children museum and another group asking for space to build a model train display.

Copy and Paste the Infrastructure Tab here and provide a narrative.

2001 Baseline Data		Name of Facility Being Studied: Walla Walla						
Facility Name	Campus Acreage	Original Bed Capacity (Beds)	Number of Vacant Bldgs	Number of Occupied Bldgs	Vacant Space (SF)	Average Condition Score	Annual Capital Costs *	Valuation of Campus (AEW)
Walla Walla	84	66	6	22	2020	2.6	1,859,685	45,000,000.00

Current level Quarters

d. Impact considerations

Capital:

	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Reviewed: Walla Walla					
New Construction	-	\$ 7,867,783	\$ 4,607,816	\$ 4,607,816	\$ 6,813,564
Renovation	-	\$ 0	\$ 0	\$ 0	\$ 670,673
Total	-	7,867,783	4,607,816	4,607,816	7,484,237
Receiving Facility 1: Spokane					
New Construction	-	\$ 7,093,630	\$ 7,093,630	\$ 7,093,630	\$ 7,093,630
Renovation	-	-	\$ 0	\$ 156,737	\$ 0
Total	-	7,093,630	7,093,630	7,250,367	7,093,630
Total		14,961,413	11,701,446	11,858,183	14,577,867

10-30-03

Old Data

Capital Cost Summary	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2
Facility Being Reviewed: Walla Walla					
New Construction	0	7,867,783	4607816	4607816	\$ 6,813,564
Renovate	0	0	0	0	\$ 686,372
Leases	0	942,855	353571	353571	353571
Vacant Space Demolition	0	1,528,351	1528351	1528351	1528351
Capital Cost for Status Quo	30,381,824	0	0	0	0
Total	\$30,381,824	\$10,338,989	\$6,489,738	\$6,489,738	\$9,358,558
Receiving Facility 1: Spokane					
New Construction	0	7,093,630	0	7093630	\$ 7,093,630
Renovate	0	0	38,247	0	\$ 155,383
Leases	0	1,101,216	7,093,630	1101216	1,101,216
Vacant Space Demolition	0	0	0	0	0
Capital Cost for Status Quo	53,521,162	0	0	0	0
Total	\$53,521,162	\$8,194,846	\$7,131,877	\$8,194,846	\$8,350,229
Grand Total	\$83,902,986	\$18,533,835	\$13,621,615	\$14,684,584	\$17,708,787

All four scenarios - Market Plan, Contract, Alt 1 and Alt 2 - require that two HVACs be Installed. This is an equipment purchase. Installation is at two different locations and would require \$500,000 per HVAC's systems

- **Operating costs:** Copy and paste the tab labeled Operating Cost Summary. Provide a narrative justifying the preferred alternative.

	Status Quo	Original Market Plan	100% Contract	Alternate 1	Alternate 2
Facility Being Reviewed: Walla Walla					
Operating Costs	623,401,971	679,085,797	667,995,864	710,300,270	738,809,257
Receiving Facility 1: Spokane					
Operating Costs	1,275,373,051	1,296,910,821	1,296,910,819	1,302,571,211	1,296,910,819
Grand Total	\$1,898,775,022	\$1,975,996,618	\$1,964,906,683	\$2,012,871,481	\$2,035,720,076

In all four scenarios: Market Plan, Contract, Alt 1 and Alt 2 require that two HVACs be installed. This is an equipment purchase. Installation is at two different locations and would require \$500,000 per HVAC's system

Old Data

SUMMARY

Operating Cost Summary	Status Quo (Plus capital)	Original Market Plan	100% Contract	Alt 1	Alt 2 retain psy @ Walla Walla
Facility Being Studied					
Operating Costs	\$ 623,401,957	\$ 679,085,797	\$ 667,979,931	\$ 710,284,337	\$ 690,310,05
Receiving Facility 1					
Operating Costs	\$ 1,276,118,406	\$ 1,296,910,820	\$ 1,292,905,732	\$ 1,302,571,211	\$ 1,292,905,73
Grand TOTAL	\$1,276,118,406	\$ 1,296,910,820	\$1,292,905,732	\$ 1,302,571,211	\$ 1,983,210,05
Grand Total	\$83,902,986	\$18,533,835	\$15,188,272	\$15,189,626	\$17,708,78
Grand Total plus Capital	\$1,360,021,392	\$1,315,444,655	\$1,308,094,004	\$1,317,760,837	\$2,000,918,84

Preferred option is Alternate #2: Contract for inpatient medicine ER and nursing home; construct new 10-bed inpatient unit either on site or in the Tri Cities at the community hospital.

The Net Present Value (NPV) of 100% contract for the Walla Walla facility is a positive.

Alternative 2 is preferred, as it will ensure inpatient psychiatry needs would be met. Because of the limited number of inpatient psychiatry programs in the area served, it may be necessary to transfer patients to Spokane VAMC located 180 miles northeast of Walla Walla. This will increase travel times and result in delayed treatment.

- **Human resources:** Transfer, retirement, reassignment, and buyout will be utilized to realign employees. Employees understand that there will not be a reduction in force with the realignment. However, concerns still remain due to the number of positions that cannot be absorbed at this facility. Many state that they are not in a position to relocate to an agency that is not within commuting distance of Walla Walla. Job opportunities in this community are limited. Many employees have strong bonds to the community. Some employees have farms, or other small business interests. For this reason, many are not mobile and would not find it possible to relocate. By the year 2005, 27% (88) employees will be retirement eligible of which, 38% (33) are CSRS. Some CSRS employees have indicated that they will retire when eligible. However, many FERS employees have indicated that they will not be able to retire before the age of 65+years. In 2005, only 7% of employees listed, as retirement eligible will be 65+. (VSSC Human Resources Reports.) There is concern, if the decision is to contract all services, that recruitment & retention will become problematic prior to the targeted realignment dates. Areas of greatest concern are employees working in the inpatient medicine and nursing home areas (RN's, LPN's, nursing assistants and health technicians). Two of the five boiler plant operators are eligible to retire within the next 1-3 years. We provide career ladder opportunities for these positions, with training requirements of at least one year. Persons willing to train in this area may not be interested, as the boiler plant is planned for demolishing. This could potentially be a major factor, as the entire campus is currently heated by steam.
- **Patient care issues and specialized programs:** Alternative 2 is preferred, as it will ensure inpatient psychiatry needs would be met. Because of the limited number of inpatient psychiatry programs in the area served, it may be necessary to transfer patients to Spokane VAMC located 180 miles northeast of Walla Walla. This will increase travel times and result in delayed treatment.
- **Impact on Research and Academic Affairs:** Walla Walla Community College indicates that closure of the inpatient and nursing home units at the VAMC will negatively impact the Nursing Program. They are in process of adding new construction for the health sciences at the college with the intent to increase the number of nursing students. Without sufficient locations for training, the program may be reduced, further compounding a severe nurse shortage.
- **Reuse of the Realigned Campus:** there are no specific reuse opportunities identified. Currently we are in discussions with outside parties interested in leasing two buildings. The current leases with the School District (parking lot), Federal Credit Union, and Little League Baseball and Football will continue.

- Summarize alternative analysis: Copy and Paste Tab “Step 7” in the Excel Template:

VAMC Walla Walla

Preferred alternative #2 description and rationale:	Contract 100% inpatient medicine and ER care and nursing home; construct 10-bed unit for inpatient psychiatry;				
	Status Quo	Original Market Plan	100% Contract	Alternate # 1	Alternate # 2
Short Description:		Construct new nursing home; contract inpatient medicine and psychiatry	Contract medicine, surgery, psychiatry, ER and nursing home	Lease space in community nursing home - VA staff; purchase food services; contract 100% medicine & ER. Transfer inpatient psychiatry to Spokane VA	Contract medicine, ER, and nursing home, construct 10-bed unit for psychiatry in Pasco or Walla Walla.
Total Construction Costs	\$1,276,118,406	\$1,296,910,820	\$1,292,905,732	\$1,302,571,211	\$ 1,983,210,054
Life Cycle Costs	\$1,982,678,002	\$1,970,659,698	\$1,951,788,952	\$2,004,410,852	\$1,980,627,459
Total Construction Costs (10-30)	\$83,902,986	\$18,533,835	\$14,661,284	\$14,818,021	\$2,983,138
Life Cycle Costs (10-30)	1,982,678,002	1,994,530,453	1,979,567,967	2,027,689,502	2,053,257,781
Impact on Access	Does not meet guidelines for hospital access	NHCU Minimal; 70% of patients in 2003, are within 50 miles of VAMC;	Access improved for NHCU, medicine, ER. Potential for increased travel time for psychiatry as may have to send to Spokane.	Minimal; 70% of NHCU patients in 2003, are within 50 miles of VAMC; improved for medicine; negative for psychiatry as patients may need to travel 3-5 hours to receive inpatient care.	Access improved for NHCU, medicine, ER. Access for psychiatry would be unchanged.
Impact on Quality	Care provided in existing inpatient areas is not comparable to community standards (facility)	Inpatient performance measures (LOS, readmission rate, etc.) meets targets	No impact. Community nursing homes use RAI/MDS; contract hospitals are JCAHO accrediting, statements of work added in contracts for measuring outcomes. VA staff routinely visit	No impact for medicine, nursing home. Potential adverse impact due to inability to admit patients in a timely manner. With 8/5 operation, patients may present to community emergency rooms that do not	Contract hospitals are JCAHO accredited, statements of work added in contracts for measuring outcomes. Nursing Homes are inspected/licensed through State process. The VA staff routinely visit

			patients in nursing homes and review care.	have training to deal with psychiatric emergencies	patients in nursing homes and review care.
	Status Quo	Original Market Plan	100% Contract	Alternate # 1	Alternate # 2
Impact on Staffing & Community	No impact as no jobs would be lost; substantial funds needed to correct deficiencies	Nursing Home replaced; retention of many jobs;	Closure of NHCU and other inpatient areas results in major reduction in staff. Adverse impact on economy in this small community.	Able to retain some staff; primarily clinical, nurses, nursing assistants if lease space for nursing home.	Retain jobs (clinical staff) for psychiatry and nursing home.
Impact on Research and Education	No impact	Minimal impact as students rotate through nursing home	Negative-lose opportunities for nursing students clinical curriculum	Negative-lose opportunities for nursing students clinical curriculum	Negative-lose opportunities for nursing students clinical curriculum
Optimizing Use of Resources	Require >\$30 million to correct code deficiencies in old buildings; inpatient & nursing home would still not have adequate space.	Demolish/excess 26 of the 28 buildings results in resource savings maintenance costs; reduce salary/benefits	Demolish/excess 26 of the 28 buildings results in resource savings - maintenance costs; reduce salary/benefits	Demolish/excess 26 of the 28 buildings results in resource savings - maintenance costs; reduce salary/benefits	Demolish/excess 26 of the 28 buildings results in resource savings - maintenance costs; reduce salary/benefits;
Support other Missions of VA	Back-up to Seattle as secondary DoD facility.	Would no longer serve as DoD secondary site.	Would no longer serve as DoD secondary site.	Would no longer serve as DoD secondary site.	Would no longer serve as DoD secondary site.
Other significant considerations		Demolish up to 13 historical buildings; community feels they are part of the Walla Walla heritage.	Demolish up to 13 historical buildings; community feels they are part of the Walla Walla heritage.	Demolish up to 13 historical buildings; community feels they are part of the Walla Walla heritage.	Demolish up to 13 historical buildings; community feels they are part of the Walla Walla heritage.

